

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF PENNSYLVANIA

In re:)
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)
 GORRELL DAIRY LLC) CHAPTER 12
*****) CASE NO. 5-18-bk-05275 RNO
 GLENN D. GORRELL) CASE NO. 5-18-bk-05276 RNO
 ROBIN J. GORRELL) (Jointly Administered)
)
 Debtors.)
)
)

DEBTORS' JOINT CHAPTER 12 PLAN

The Debtors, Gorrell Dairy LLC, Glenn D. Gorrell, and Robin J. Gorrell, jointly submit the following Plan pursuant to Chapter 12 of the United States Bankruptcy Code (the "Plan"):

PAYMENTS

1. The Debtors shall submit portions of his future income to the control and supervision of the Trustee as is necessary for the execution of this Plan. The Debtors shall pay the Trustee the amount of **\$19,216.00** per month, on the 25th day of each month, commencing on the twenty-fifth day of the October, 2019, for a period of term of twenty-four (24) months, whereupon payments shall increase to the amount of **\$37,345.00** per month for the remaining thirty-six (36) month term of the Plan. The principal term of the Plan is sixty (60) months. The total amount of the Plan payments during the principal term is \$1,805,604.00.

CLASSIFICATION OF CLAIMS

2. The Debtor designates the following classes of claims:

Class I: The claims of Deere & Company d/b/a John Deere Financial (hereinafter John Deere), in the amounts listed below as of the Petition Date based on a filed proofs of claim, either fully secured or secured to the extent of value based on agreed collateral values as set forth:

<u>Sub -class</u>	<u>Amount</u>	<u>Collateral</u>	<u>Collateral Value:</u>
1	\$25,523.83	7200 Harvester	\$99,000
2	\$7,853.50	430 Manure Spreader	\$6,300
3	\$123,995.46	7280R Tractor	\$112,400
4	\$73,650.21	6170R Tractor	\$79,200
5	\$32,182.96	7320 Cab Tractor	\$48,600
6	\$30,416.55	1770 Planter	\$31,500
7	\$30,242.29	722 TOP Rakes	\$17,100
8	\$23,934.23	320E Skid Steer +	\$18,900
9	\$16,490.60	VT 144 Mixer	\$18,900
10	\$15,647.63	320E Skid Steer	\$18,900
11	\$21,915.80	20' HD Power Box +	\$13,500
12	\$18,662.85	JD 4450 Tractor	\$20,000
13	\$24,217.49	314G Skid Steer	\$25,200
14	\$8,391.22	640B Pickup Head	\$8,500
15	\$33,772.43	7200 Harvester	\$99,000
16	\$63,352.03	Cross Collateralized	\$31,000

Class II: The claims of First Citizens Community Bank (hereinafter “First Citizens”) in the combined total amount of \$3,210,273.38 as of the Petition Date based on filed proofs of claim, fully secured by first priority mortgage interests encumbering all real property owned by the individual Debtors.

Class III: The claim of the USDA Farm Service Agency (hereinafter “FSA”), in the amount of \$472,767.77 as of the Petition Date, based on a filed proof of claim, fully secured by a first priority nonpurchase-money security interest in all cattle and equipment owned by the debtor Gorrell Dairy, LLC.

Class IV: The claim of Northern Tier Regional Planning and Development Commission (hereinafter “NTRP”) in the amount of \$76,783.19 as of the Petition Date, based on a filed proof of claim, fully secured by a second priority mortgage interest in tax map parcels numbered 074 and 041 owned by the individual Debtors.

Class V: The claim of H. Rockwell & Son, Inc. (hereinafter “Rockwell”) in the amount of \$217,271.65 as of the Petition Date, based on a filed proof of claim, fully secured by a fourth priority mortgage interest in all real property owned by the individual Debtors.

Class VI: The following claims of the Bradford County Tax Claim Bureau (hereinafter “Bradford County”) as of the Petition Date, based on filed proofs of claim, fully

secured by a first priority tax lien interest in three (3) parcels of real property owned by the individual Debtors:

<u>Sub-class</u>	<u>Amount</u>	<u>Tax Map No.</u>
1	\$52,670.76	39-044.00-032
2	\$2,285.77	39-045.00-041
3	\$11,167.94	39-045.00-074

Class VII: The claim of CNH Industrial Capital (hereinafter “CNH”), in the amount of \$9,534.89 as of the Petition Date, based on a filed proof of claim, fully secured by a first priority purchase-money security interest in one Miller 5300 Pro Silage Cart.

Class VIII: The claim of AgChoice Farm Credit, ACA (hereinafter “AgChoice”), in the amount of \$38,017.89 as of the Petition Date, based on a filed proof of claim, fully secured by a first priority purchase-money security interest in one Houle Manure Spreader.

Class IX: The claim of Growmark FS (hereinafter “Growmark”) in the amount of \$50,181.67 as of the Petition Date, based on a filed proof of claim, fully secured by third priority nonpurchase-money security interest in all cattle and equipment owned by the Debtor Gorrell Dairy LLC.

Class X: The allowed claims of creditors other than Classes I through IX.

TREATMENT OF CLAIMS

3. Each holder of a secured claim shall retain the lien securing such claim to the extent of the allowed amount of such claim, until the claim is paid in full.

4. Claims shall be paid and treated as follows:

Class I-A: John Deere, as holder of the Class I(1), (4), (5), (6), (9), (10), (12), (13), (14), and (15) sub-claims, shall be paid the full amount of those sub-claims with interest thereon from the effective date of the Plan at the original contract rate, in monthly payments due on the first day of each month commencing November 1, 2019. Payments in respect of such Class I-A sub-claims shall be in an amount equal to interest plus \$100 in principal for a term of twenty (24) months, whereupon payments shall increase to an amount equal to pay the remaining principal balance of such sub-claims in full with interest thereon at the original contract rate over a remaining five (5) year term. The amount of payments in respect of each such sub-claim is as follows:

<u>Sub-class</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Payments 1-24</u>	<u>Payments 25-84</u>
1	\$25,523.83	2.5%	\$154.00	\$386.00
4	\$73,650.21	2.9%	\$278.00	\$1,277.00
5	\$32,182.96	2.9%	\$178.00	\$534.00
6	\$30,416.55	2.9%	\$174.00	\$503.00
9	\$16,490.60	4.25%	\$159.00	\$262.00
10	\$15,647.63	0.00	\$100.00	\$261.00
12	\$18,662.85	2.9%	\$146.00	\$292.00
13	\$24,217.49	3.99%	\$181.00	\$402.00
14	\$8,391.22	2.9%	\$121.00	\$108.00
15	\$33,772.43	5.0%	\$241.00	\$592.00
			Total	\$1,732.00
				\$4,617.00

Payments in respect of such Class I claims shall be paid through payments by the Debtors to the Trustee as provided herein for the first sixty (60) month term of the Plan, and directly by the Debtors thereafter. The total repayment term is eighty-four (84) months.

Class I-B: John Deere, as holder of the Class I(2), (3), (7), (8), (11), and (16) sub-claims, shall be paid the allowed amount of those sub-claims with interest thereon from the effective date of the Plan at the original contract rate, in monthly payments due on the first day of each month commencing November 1, 2019. Payments in respect of such Class I-B sub-claims shall be equal to interest plus \$100 in per month for a term of twenty (24) months, whereupon payments shall increase to an amount equal to pay the remaining balance of such sub-claims in full with interest thereon at the original contract rate over a remaining five (5) year term. The amount of payments in respect of each such sub-claim is as follows:

<u>Sub-class</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Payments 1-24</u>	<u>Payments 25-84</u>
2	\$6,300	4.15%	\$122.00	\$73.00
3	\$112,400	2.9%	\$372.00	\$1,972.00
7	\$17,100	4.5%	\$165.00	\$275.00
8	\$18,900	4.15%	\$165.00	\$305.00
11	\$13,500	4.5%	\$151.00	\$207.00
16	\$31,000	0.00	\$100.00	\$517.00
	Total		\$1,075.00	\$3,349.00

Payments in respect of such Class I-B sub-claims shall be paid through payments by the Debtors to the Trustee as provided herein for the first sixty (60) month term of the Plan, and directly by

the Debtors thereafter. The total repayment term is eighty-four (84) months. The balance of such Class I-B sub-claims shall be allowed and treated as Class X general unsecured claims.

Class II: First Citizens, as holder of such Class II Claims shall be paid the full amount of such claims together with interest thereon from the effective date of the Plan at the rate of 3% per annum in monthly payments due on the 1st day of each month commencing on November 1, 2019. Payments due in respect of such Class II Claims for the first 24 months of the repayment term shall be in the amount of \$10,026.00, equal to interest accruing on such claims plus \$2,000.00 principal payment. Commencing in month 25 of the repayment term, payments shall be due in the increased amount of \$18,965.00 and shall continue until such Class II Claims are paid in full with interest as provided herein. Payments in respect of such Class II Claims shall be made through payments to the Trustee during the principal term of the Plan, and directly by the Debtors thereafter. The estimated length of the total repayment term is two hundred and forty (240) months.

Class III: FSA, as holder of such Class III Claim shall be paid the full amount of such claim together with interest thereon from the effective date of the plan at the rate of 1.5% per annum in monthly payments due on the 1st day of each month commencing on November 1, 2019. Payments due in respect of such Class III Claim for the first 24 months of the repayment term shall be in the amount of \$691.00, equal to interest accruing on such claim plus \$100.00 principal payment. Commencing in month 25 of the repayment term, payments shall be due in the increased amount of \$3,321.00 and shall continue until such Class III Claim is paid in full

with interest as provided herein. Payments in respect of such Class III Claim shall be made through payments to the Trustee during the principal term of the Plan, and directly by the Debtors thereafter. The estimated length of the total repayment term is one hundred and eighty (180) months.

FSA shall be granted a rollover lien interest in post-petition additions and substitutions of the collateral securing its Class III Claim.

The Debtors shall maintain property and casualty insurance coverage for the FSA collateral naming FSA as a mortgagee and additional insured.

Class IV: NTRP, as holder of such Class IV Claim shall be paid the full amount of such claim together with interest at the contract rate of 3% per annum in fixed monthly payments in the amount of \$426.00 per month due on the 1st day of each month commencing November 1, 2019, and continuing until such Class IV Claim is paid in full with interest as provided herein. Payments in respect of such Class IV Claim shall be paid through payments by the Debtors to the Trustee as provided herein for the first sixty (60) month term of the Plan, and directly by the Debtors thereafter. The estimated total repayment term is two hundred and forty (240) months.

Class V: The Plan shall not alter the terms of the original agreement evidencing such Class V Claim, and Rockwell, as the holder of such claim, shall be entitled to receive payments and all benefits and emoluments in respect of such Class V Claim in accordance with the original contract terms.

Class VI: Bradford County, as holder of such Class VI claims, shall be paid the full amount of such claims, inclusive of post-petition accruals, with interest on the principal balance of such claims at the statutory rate of 9% per annum, in monthly payments due on the 1st day of each month commencing on November 1, 2019, in the following amounts:

<u>Sub-class</u>	<u>Amount</u>	<u>Payment</u>
1	\$52,670.76	\$667.00
2	\$2,285.77	\$29.00
3	\$11,167.94	\$142.00
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	Total	\$838.00

Payments shall continue until such Class VI Claims are paid in full with interest as provided herein. Payments in respect of such Class VI Claims shall be paid through payments by the Debtors to the Trustee as provided herein for the first sixty (60) month term of the Plan, and directly by the Debtors thereafter. The estimated total repayment term is one hundred and twenty (120) months.

Class VII: The Plan shall not alter the terms of the original agreement evidencing such Class VII Claim, and CNH, as the holder of such claim, shall be entitled to receive payments and all benefits and emoluments in respect of such Class VII Claim in accordance with the original contract terms.

Class VIII: The Plan shall not alter the terms of the original agreement evidencing such Class VIII Claim, and AgChoice, as the holder of such claim, shall be entitled to receive payments and all benefits and emoluments in respect of such Class VIII Claim in accordance with the original contract terms.

Class IX: Growmark, as holder of such Class IX claim, shall be paid the full amount of such claim without interest over the five year term of the Plan, through payments to the Trustee as provided herein.

Class X: The amount of \$42,000.00 shall be paid in respect of all Class X claims of general unsecured creditors, as filed and allowed, from payments to the Trustee as provided herein. Class X creditors are projected to receive a dividend equal to ten percent (10%) of allowed claims, based on claims as filed and scheduled, in the total amount of \$410,114.32.

PRIORITY OF DISTRIBUTION

5. The Trustee shall make distribution from payments by the Debtor to the Trustee under the Plan as follows:

- (a) First, in payment of Trustee fees and expenses entitled to priority as an expense of administration pursuant to 11 U.S.C. §503(b);
- (b) Second, in respect of the fixed payments due in respect of the Classes I through IV and VI claims;

(c) Third, pro-rata in payment of expenses entitled to priority as an expense of administration pursuant to 11 U.S.C. §503(b), including the following:

<u>Claimant</u>	<u>Nature of Claim</u>	<u>Amount</u>
Cargill, Inc.	Reclamation	\$28,329.46
Trevett Cristo	Attorneys' Fees (Estimated)	\$15,000.00
;		

(e) Fourth, in respect of the Class IX Claim; and

(d) Fifth, pro rata in respect of Class X Claims.

MEANS OF EXECUTION OF THE PLAN

6. Title to property of the estate, subject to valid and existing liens, shall vest in the Debtors upon confirmation of the Plan.

7. The Debtors shall continue in control of their business and shall have all rights to operate in the ordinary course of business. During the term of the Plan, the Debtors may obtain credit secured by a lien against property of the estate with Court approval, subject to the rights of existing secured creditors under State Law.

8. The Debtors hereby assumes all executory leases under terms agreed to by the parties.

Dated: May 20, 2019

/s/ Glenn D. Gorrell

Glenn D. Gorrell

Dated: May 20, 2019

/s/ Robin J. Gorrell

Robin J. Gorrell

Dated: May 20, 2019

Gorrell Dairy, LLC

By: /s/ Glenn D. Gorrell

Glenn D. Gorrell, Managing Member

Dated: May 20, 2019

/s/ David H. Ealy

TREVETT CRISTO

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